



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT: PURCHASE OF PROPERTY FOR  
60-INCH BRICK SANITARY SEWER  
INTERCEPTOR REPLACEMENT**

**DATE:** 02-25-04

---

Approved

Date

---

Council District: 4

## **RECOMMENDATION**

Approval of an agreement in the amount of \$114,000 with the Santa Clara Valley Transit District (VTA) for the purchase of a portion of land located at Zanker Road, together with a Temporary Construction Easement (TCE) on an adjoining portion of the subject property and authorization to the Director of Public Works to execute any additional documents that are necessary to complete the transaction.

CEQA: Negative Declaration, PP03-12-374.

## **BACKGROUND**

In 1986, a consultant for the City, James M. Montgomery Engineers, completed a master plan and a design study of the City's major sanitary sewer interceptor system. The study developed recommendations to rehabilitate and replace the existing major interceptors in order to accommodate additional flows from the ultimate build out of the urban service areas. The rehabilitation and replacement project was divided into several phases in order to implement construction effectively. The 60-inch Brick Interceptor Phase IB Project is one of these construction phases. It consists of the replacement and re-alignment of approximately 8,000 linear feet of the 60-inch brick sewer pipe with a new interceptor pipe along Zanker Road from the Water Pollution Control Plant to Structure A, just south of Tasman Drive (see attached location map).

## **ANALYSIS**

On October 23, 2003, City staff submitted an offer of \$91,000 to the VTA. The offer was based upon the full-appraised value of the property. After several months of negotiations, VTA and City staff negotiated a purchase agreement in the amount of \$114,000 for the property, which though higher than the City's initial appraiser, was an amount which the City's appraiser, after

further analysis, agreed to be within the range of fair market value. The portion of the property to be acquired in fee is located in the western portion of the larger site, in close proximity to Zanker Road. The sanitary sewer easement has a gross land area of 12,972 square feet and the temporary construction easement has a gross land area of 43,192 square feet. No other land acquisitions are needed for this project. The project is scheduled to be bid in May 2004.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Department of Planning, Building and Code Enforcement.

### **COST IMPLICATIONS**

The amount of \$114,000 is specified in the purchase agreement. In addition, there will be escrow and closing costs estimated at \$3,500. The total cost is anticipated to be approximately \$117,500.

### **BUDGET REFERENCE**

Fund #	Appn. #	Appn.Name	RC #.	Total Appn.	Amt For Contract	Adopted 2003-2004 Capital Budget	Last Budget Action Date Ord. No.
545	4969	60-inch Brick Interceptor	105883	\$19,593,000	\$117,500	Page 138	10/14/03, Ord. No. 26997

### **CEQA**

Negative Declaration, PP03-12-374.

KATY ALLEN  
Director, Public Works Department